# GOVERNMENT OF INDIA
# CHEMICALS AND FERTILIZERS
# LOK SABHA

UNSTARRED QUESTION NO:939
ANSWERED ON:22.11.2016
Overcharging of Drugs
Birla Shri Om

**Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:**

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that in the previous years certain drug manufacturers of the country have charged more price than the prescribed price of drugs from the consumers;

(b) if so, the extra amount charged on the basis of Government's estimate; and

(c) the steps taken by the Government to check the recurrence of overcharging in the future?

## Answer

MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS; MINISTRY OF SHIPPING AND MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI MANSUKH L. MANDAVIYA)

(a) Yes, Madam.

(b) Action for recovery of the overcharged amount is taken as per the provisions of Drug (Prices Control) Order, 1995 (DPCO, 1995) and Drug (Prices Control) Order, 2013 (DPCO, 2013). Demand notices are issued to the companies for recovery of overcharged amount alongwith interest thereon for violation under various provisions of DPCO, 1995 and DPCO, 2013 read with Section 7A of Essential Commodities Act, 1955.

Since inception of National Pharmaceutical Pricing Authority (NPPA) in 1997, 1467 demand notices (as on 31.10.2016) have been issued to pharmaceutical companies for their overcharging the consumers on the sale of medicines (1282 cases under DPCO 1995 & 184 cases under DPCO 2013). These demand notices relate to a total amount of Rs.4958.74 crore (Amount inclusive of principal overcharged amount and interest thereon). Out of the total amount demanded so far, an amount of Rs.598.81 crore has been deposited by the companies to Government. An amount of Rs.3460.32 crore is under litigation. The detailed list of overcharging cases where demand notices have been issued, has been uploaded on NPPA website (www.nppa.nic.in).

(c) Drug manufacturing / marketing companies are required to submit price list and supplementary price list to the State Drug Controllers (SDC's) and to the Government whenever price revision is carried out. They are also immediately required to submit these online data through Integrated Pharmaceutical Data Management System. These forms are scrutinized/ monitored to detect cases of overcharging. Samples of medicines are also purchased by NPPA and SDC's for checking the compliance of notified price by drug manufacturer / marketing company.

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